

Minutes
DPHHS Rates Advisory Meeting
February 15, 2006

Meeting was called to order and roll was taken:

Present: Diana Tavary, Wayne Hershey, Mary Jean Golden (via phone), Frieda Houser, Barb Varnum, Christine Kaufmann, Dan Weinberg, Lois Steinbeck, Bob Andersen, Janet Whitmoyer, Jim Corrigan, Kathy Brophy, Bob Olsen, John Chappuis, Joan Miles, Charlie Briggs, Jeff Sturm, Matt Bugni, Marilyn Daumiller, Gail Briesse-Zimmer

Absent: Penny Morgan, John Cobb

Elections: The committee voted to have Christine Kaufmann serve as chair of the commission and Diana Tavary was appointed vice-chair.

Welcome and Introductions: Joan Miles welcomed and thanked the members for their time commitment; introductions were made

John Chappuis discussed concerns about the importance of rates for various programs such as Medicaid. How they affect access issues, for example Medicaid--if rates aren't high enough it limits the number of providers. Discussed other areas of concern: foster care, group homes, and non-medical side, VR, DD rates. Things to consider:

- Prioritize dollars and requests going into legislature.
- How do we develop new services
- Limited resources need advice of the commission; can have a huge effect over the years. Need in-pur from the various programs.

John Chappuis: Data initiatives

- Planning process for next legislature will be done in 6 months.
- Division's have to have EPP issues to the Director by March 20
- The department will get direction by OBPP on the amount of dollars available to the department
- Budget process will be finished by around the 1st of September
- Input will be limited this go around
- DDP the Rates differ by region - this is an area they are working on fixing.
- All systems we can mine data for most questions; information outside of the department is more difficult (for example physicians at reimbursed at 95% of Medicare, there are limitations for some rates) Medicare is the benchmark for the health care programs; insurance rates are almost always higher. For certain rates the information is considered proprietary, ex Hospitals and Doctor.
- The commission needs to ask right questions so we can get you the right data
- This session the department's priorities are to improve adult mental health and address caseload in Child and Family Services Division (3-4 years ago 1700 cases, now over 2100 same FTE – direct safety response time)
- Federal concerns in that funding for Child Support Enforcement Division (CSED) was cut – if we don't have CSED we lose TANF
- Dental rates – constant access issue

Minutes
DPHHS Rates Advisory Meeting
February 15, 2006

- Overall provider rates—different concerns
- Physicians, hospitals are tied into Medicare rates, Prescription drugs are at or near cost
- Rates in foster care/group homes are a problem
- The State revenues will define how much we can put in any area
- Direct Care wage changes for number of systems translate in health ins for employee 30 or more hours/week;
- FMAP (federal matching percent) concerns with it decreasing; it will drop to 69.1 and cost us over 6 million next year in general fund
- For the department to just stay whole we will need more than 7 million with the current estimate for federal cuts
- Currently the department is 6 million short this year in general fund

Senator Weinberg – how should we think about rates between services are they similar or not?

John Chappuis: we need to develop a core value system; things to consider:

- Economic viability of the provider
- Dental – pay the highest percent of charges than any provider and still we are not covering their overhead
- how can Medicaid not be a drag on the system.
- Hospitals have wide ranging practice compared to dentists who can't shift costs.
- Dentist we pay 80% of their rate; they lose dollars partially due to people not showing up
- Look at characteristics of the different providers.
- Nursing Homes receive 60% of income from government
- Hold rates down too much affects the quality of care patients receive as well as access for clients

Bob Andersen: The department will need \$45 million for Medicaid growth and FMAP; the dollars will not cover more people or services, but keep the department level

James Corrigan: I hope the department is looking at improving the Mental Health system. What is the department thinking regarding this for the next session?

John Chappuis conceptual answer – currently we are in a state of flux for adult mental health

- MSH – budget buster
- Co-occurring, sub-abuse, - Mental Illness about 70%; problem getting appropriate treatment
- Warehousing in corrections
- Identify common problems in 2 systems
- Improve services at regional and at a viable level; we have problems getting professional level care; there are regional and local

Minutes
DPHHS Rates Advisory Meeting
February 15, 2006

- improvements; we have increased rates for psychiatrists but this doesn't equate to more psychiatrists.
- Looking at unusual services and ideas to try to solve problems

Jeff Sturm-presentation on Developmental Disability Services rates

Handouts were provided:

- DD rates – compete for limited direct care workers among ourselves (DPHHS) we don't make things worse; if we need to fix one system without impacting another
- Quality Assurance in Medicaid--balancing issue between rates and quality standards that are constantly changing